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Background Paper No. 1
2 December 1958

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PLANNING GROUP FOR REPORTING AND COMMUNICATIONS SYSTEMS

ORR Research Practices: Outline of Presentation

I. Kinds of Intelligence Produced by ORR.

A. By subject matter.

1. Production and trade of strategic commodities in the Bloc:

- a. Steel, nonferrous metals, and other materials,
- b. Machinery and equipment,
- c. Military end products,
- d. Food,
- e. Manufactured consumer goods.

2. Agregates output and trade to determine:

- a. Over-all economic growth,
- b. Comparative size,
- c. Allocation of end products to:
 1. Investment,
 2. Military,
 3. Household consumption.

3. Geographic intelligence on world wide basis.

B. By customers.

1. Supports ONE in production of National Estimates, particularly Bloc.

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- a. Contributes to ONE on economic and military parts of Bloc estimates--as a primary contributor,
 - b. Supports ONE on production of aircraft, ships, atomic energy, and guided missiles,
 - c. Interested ORR components support ONE at meetings of USIB representatives on estimates.
 - d. AD/RR attends final USIB meetings on estimates of ORR interest.
2. OCI interested primarily in current political intelligence.
- a. ORR provides economic support to OCI.
 - 1. Initiates economic articles for OCI publications,
 - 2. Evaluates current intelligence on economic subjects.
 - b. On a three-day crash basis over a weekend ORR recently evaluated the newly announced Soviet Five Year Plan.
 - 1. Examined hundreds of products.
 - a. Compared Soviet output with US,
 - b. Compared planned with past growth rates,
 - c. Evaluated ability of USSR to meet plans.
 - 3. Frequently supports and works with OSI, whose primary interest is R&D. ORR picks up at time production begins.
 - 4. Provides operational support to DD/P.
 - 5. Extensive support to USIB and non-USIB agencies.

II. Some Typical ORR Projects.

- A. Trends in the Electronics Industry of the USSR. (Draft of ORR 36,1935,S).
 - 1. Purpose of paper: fill gaps identified by EIC and ONE in Soviet electronics production--especially military electronics.
 - a. To measure Soviet total electronics output in R and \$,

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b. Estimate the growth rate, 1945--1960 or 1963.

c. Break total down into consumption by:

1. Households,

2. Industry,

3. Military.

2. Methodology.

a.

b.

c.

d.

e.

f.

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3. Showed that Soviet electronics industry:

a. Grew from 10-15 per cent of US output in 1950 to 45 per cent in 1957.

b. Military electronics reached 2/3 US size in 1957.

<u>Tot.</u>	US 1957:	7.6 Bil. \$	<u>Milit.</u>	3.9 Bil. \$
	USSR 1957:	3.2 Bil. \$		2.4 Bil. \$
	USSR 1960:	5.1 Bil. \$		3.8 Bil. \$

4. Sources:

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b. 65 pp. paper.

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c. [REDACTED] sources: press, radio, books, OO, handbooks.

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1. [REDACTED]
2. [REDACTED]
3. [REDACTED]

d. Location of Sources.

1. From reading requirements placed on ORR Reading Panel.
2. Analyst files.
3. By means of special search when projects are scheduled.

B. Similar studies in ORR.

1. GDR electronics industry. (Draft of ORR 36,2378,S)

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a. More help from GDR statistical handbook.

b. [REDACTED] since GDR not recognized.

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c. [REDACTED]

2. Another RR report finished early in 1958: Recent developments in the Tractor Industry of the USSR--(RR 126, 14 March 1958, S).

a. Establishes production and inventory, 1950-57:
Year, Model, and plant.

b. Production by new types--diesel and row crop.

c. Allocations to agriculture.

d. Method:

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[REDACTED]

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[REDACTED]

c. official announcements [REDACTED]

3. Allocations to agriculture from open sources too.

e. Sources: Official data: handbooks, press, radio, technical literature, and plan data.

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1. No [REDACTED] used at all.

2. In 43 p. report with 87 citations.

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a. [REDACTED]

b. [REDACTED]

c. [REDACTED]

3. Tractor paper typical of most RR reports on machinery production--
Based by necessity on open sources.

4. Reports on materials production (steel, cement, etc.) similar
except:

a. More aggregative--product more homogeneous--handled as whole.

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b. Therefore less attention to output by plant.

c. [REDACTED]

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d. Based on open source literature.

e. [REDACTED]

f. Depend on procurement of handbooks, technical literature,
and statistical periodicals.

5. Agriculture differs.

a. Rely more on attache trip reports for crop conditions.

b. Timing is seasonal and important.

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6. Trade is another special case to be treated later.
7. For most ORR reports:
 - a. Production is estimated on a yearly basis. Day to day reporting not important. Neither weekly nor monthly; maybe quarterly; certainly annually.
 - b. Current reporting wanted only for problems: shortages, model changes, changes in policy: shift from:
 1. Hydro to thermal power,
 2. Coal to oil and gas.
 - c. Timing is most important at critical periods of ORR production:
 1. Annual national estimates.
 2. NIS and other deadlines.
 - d. Files:
 1. [REDACTED] open source information not intellofaxed. Analysts must rely on own maintenance and files.

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- C. Military studies: Production of Bison Aircraft at Moscow/Fili Airframe Plant No. 23 in the USSR.

RR-IP-582, 24 Jan 58, S, CIA Internal Use Only (Jan 1955-June 1958)
582-S-I, 13 June 58 (1 July 57-1 Mar 58).

1. Background:
 - a. Air Force has primary responsibility for subject.
 - b. ORR supports DCI and ONE as a departmental responsibility.
 - c. Air Force estimates OB rather than production. Estimates are consistently high.
 - d. Are not substantiated by ORR studies of planes produced.
 - e. 1956 NIE estimated an inventory of 500 Bisons by mid 1958;

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700, mid 1960.--Used to beef up US B-52 program by about one billion dollars.

f. 1956 on, ORR has taken exception to these high estimates. Gradual acceptance of ORR estimates by ONE has slowly cut back national estimates. Cumulative production of Bison still less than one hundred.

2. Kind of studies by ORR to support ONE:

- a. Follow plant production closely at all known Soviet aircraft plants.
- b. Studies of plant size and facilities.
- c. Monthly output of planes by type.

- 1. Bison report: 65th plane in July 1957 to 84th in March 1958.
- 2. Peaks of 4 per month in April and August 1957.
- 3. Dropped in August 1957 to one to two per month.

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- d. [REDACTED] ORR to suggest that Bison was being phased out for new plane long before the Bounder was sighted.

3. Type of information used:

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- a. [REDACTED]
- b. [REDACTED]
- c. [REDACTED]
- d. [REDACTED]
- e. [REDACTED]
- f. Little or no press information; no handbook data on production.

4. Information comes in:

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- a. [REDACTED]: cables and air dispatches.

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b. [REDACTED]

5. Level of research:

- a. Limited data; fragmented.
- b. Exploit every scrap of available information.
- c. Sift data finely; detailed analysis of all available evidence.

6. Problems:

- a. Time lags.

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[REDACTED] directed to use cable. But cable reports are incomplete. Followed up by bi-monthly and quarterly reports.

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b. [REDACTED]

c. [REDACTED]

D. Trade Reports:

1. ORR produces several types of trade reports:


- a. Annual surveys for National Estimates of Bloc Trade.
Formerly compiled by totalling available data.
Now improved by official handbook data.
Attache reports useful for trade problems.
- b. Trade sections of NIS.
- c. Basic studies of trade in: machinery products; and strategic commodities: copper, tin, aluminum.
- d. Support of US program to control trade with Bloc.
 - 1. Define strategic products.
 - 2. Determine effects of denials and controls on Bloc.

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3. Monitor Bloc evasion of controls.
All require support from state, DD/P, and OO.
Timeliness highly important.

e. Bloc penetration program:

1. Bloc working intensively to penetrate underdeveloped areas of Asia, Africa, and even South America.
2. This program is being closely monitored by an EIC Working Group.
 - a. Publishes a Bi-weekly Report on Bloc Economic Activities in Underdeveloped Areas.
 - b. This report of much use to policy making areas of government, and to ICA and USIA, to which it supplies timely evaluated and analyzed information.
 - c. 
 - d. Latest issue is 24 November.
But dispatch dates in it range from end of August to mid-November. State prepares many of the items. Difficult for RR to evaluate since dispatches come late.
 - e. This type of report can benefit greatly from a speed up in the transmission of information.


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III. Summary:

A. ORR Interests Diverse.

1. Engaged in both basic and current research.
2. Many projects depend on press, radio, open publications.

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4. Timing is important, but need varies with subject.


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One day survey of timing from field to ORR reading panel:

<u>Source</u>	<u>Number of Documents</u>	<u>Average Days</u>
State		
Navy	25X1A	
Air		
Army		



B. Some ORR needs and problems:

1. Dissemination of documents.
 - a. Timing.
 - b. Materials from other USIB agencies.
2. Recovery.
 - a. Speed.
 - b. Reliability.
 - c. Non'intellofaxed materials: Press and radio.
 - d. Full text rather than condensations.
 - e. Legibility.

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